



DEPARTMENT OF TRANSPORTATION

Maritime Administration

[Docket Number MARAD-2023-0039]

Request for Information: Administration of the Cargo Preference Act of 1954

AGENCY: Maritime Administration (MARAD), Department of Transportation (DOT).

ACTION: Notice.

SUMMARY: This notice requests information from the public to assist MARAD in assessing the processes used to implement the Cargo Preference Act of 1954, which directs the use of U.S.-flag vessels to transport certain amounts of civilian federal government agencies' cargo.

DATES: Comments must be received on or before **[INSERT DATE 60 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. DOT will consider comments filed after this date to the extent practicable.

ADDRESSES: Your comments should refer to DOT Docket Number MARAD-2023-0039 and may be submitted by any of the following methods:

- Federal eRulemaking Portal: www.regulations.gov. Search “MARAD-2023-0039” and follow the instructions for submitting comments.
- Mail/Hand-Delivery/Courier: Docket Management Facility; U.S. Department of Transportation, 1200 New Jersey Avenue, SE, Room W12-140, Washington, DC 20590. If you would like to know that your comments reached the facility, please enclose a stamped, self-addressed postcard or envelope. The Docket Management Facility is open 9:00 a.m. to 5:00 p.m. E.T., Monday through Friday, except on Federal holidays.

To avoid duplication, please use only one of the above methods. See the “Public Participation” section below for instructions on submitting comments.

Unless there is a request for confidential treatment, all comments received will be posted without change to the docket at www.regulations.gov, including any personal information provided.

You may view the public comments at www.regulations.gov. When searching for comments, please use the Docket ID: MARAD-2023-0039. An electronic copy of this document may also be downloaded from the Office of the Federal Register's Website at www.FederalRegister.gov and the Government Publishing Office's Website at www.GovInfo.gov.

Note: If you mail or hand-deliver your input, we recommend that you include your name and a mailing address, an email address, or a telephone number in the body of your document so that we can contact you if we have questions regarding your submission. If you submit your inputs by mail or hand-delivery, they must be submitted in an unbound format, no larger than 8 1/2 by 11 inches, single-sided, suitable for copying and electronic filing.

Instructions: All submissions received must include the agency name and docket number. For detailed instructions on submitting comments and additional information on the rulemaking process, see the section entitled Public Participation.

FOR FURTHER INFORMATION CONTACT: Lalit Raina, Supervisory Trade Specialist, Office of Cargo & Commercial Sealift, at (202) 366-4610, or via e-mail at cargo.marad@dot.gov. You may send mail to Mr. Raina at Department of Transportation, Maritime Administration, 1200 New Jersey Avenue SE, W23-469, Washington DC 20590. If you have questions on viewing the Docket, call Docket Operations, telephone: (800) 647-5527.

SUPPLEMENTARY INFORMATION: The Cargo Preference Act of 1954 (CPA), codified at 46 U.S.C. 55305, and promulgated by regulation under 46 CFR parts 381 and 382, requires that at least 50% of cargoes procured, furnished, or financed by the U.S. Government, which may be transported on ocean vessels, are transported on privately-owned U.S. commercial vessels, to the extent those vessels are available at fair and reasonable rates. Currently, the 50% compliance

minimum is calculated by type of vessel (dry bulk carriers, dry cargo liners, and tankers), as well as by geographic area. These requirements are applied to cargoes resulting from civilian federal agency activities, such as, but not limited to, the movement of humanitarian assistance and the household goods of travelling diplomats. Department of Defense cargoes, such as military equipment and fuel, are subject to separate statutory and regulatory requirements and are not the subject of this request for information (RFI). MARAD is required under 46 U.S.C.

55305(d)(2)(A) to conduct an annual review of the administration of cargo preference programs by civilian federal agencies. MARAD may also direct civilian federal agencies, pursuant to 46 U.S.C. 55305(d)(2)(B), to require transport cargo shipments aboard U.S. vessels in equivalent amounts to cargo that were shipped onboard foreign vessels in violation of section 55305 (remediation efforts known as “make up” cargo shipments). MARAD may also impose civil penalties on any person who willfully and knowingly violates the cargo preference requirements in 46 U.S.C. 55305, pursuant to 46 U.S.C. 55305(d)(2)(C).

MARAD will continue to support, review, and promote compliance with the CPA by civilian federal agencies and their contractors through collaboration and education. Identifying cargoes resulting from civilian federal agency activities that are subject to cargo preference requirements has proven challenging for MARAD as it includes those derived from within layers of subcontracts, contracts, and grants, as well as any consequential transportation stemming from federal financing programs.

This notice requests comments and information from the public to assist MARAD in understanding individuals’ experiences with civilian federal agencies’ implementation of CPA requirements. Insights gained from this RFI will assist MARAD in its communication and coordination with other federal agencies related to cargo preference and enhance federal transparency.

Public Participation

How do I submit comments?

Include the docket number in your comments to ensure that your comments are correctly filed in the Docket. We encourage you to provide concise comments; however, you may attach additional documents as necessary. There is no limit on the length of the attachments. Please submit your comments, including the attachments, following the instructions provided under the above-entitled heading ADDRESSES.

MARAD will consider all comments received before the close of business on the comment closing date indicated above under DATES. To the extent possible, MARAD will also consider comments received after that date.

For access to the docket to submit or read comments received, go to the Docket Management Facility, U.S. Department of Transportation, 1200 New Jersey Avenue SE, West Building, Room W12-140, Washington, DC 20590. The Docket Management Facility is open 9:00 a.m. to 5:00 p.m., E.T., Monday through Friday, except on Federal holidays. To review documents, read comments or to submit comments, the docket is also available online at www.regulations.gov, keyword search “MARAD-2023-0039.”

Please note that even after the comment period has closed, MARAD will continue to file relevant information in the Docket as it becomes available. Further, some people may submit late comments. Accordingly, MARAD recommends that you periodically check the Docket for new material.

Will my comments be made available to the public?

Before including your address, phone number, email address or other personal information in your comment, be aware that your entire comment, including your personal identifying information, will be made publicly available.

May I submit comments confidentially?

If you wish to submit comments under a claim of confidentiality, you should submit your complete submission, including the information you claim to be confidential business information, to the Department of Transportation, Maritime Administration, Office of

Legislation and Regulations, MAR-225, W24-220, 1200 New Jersey Avenue, SE, Washington, DC 20590. When you submit comments containing information claimed to be confidential information, you should include a cover letter setting forth with specificity the basis for any such claim and, if possible, a summary of your submission that can be made available to the public.

Privacy Act

Anyone can search the electronic form of all comments received into any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). For information on DOT's compliance with the Privacy Act, please visit www.transportation.gov/privacy.

Request for Information

DOT seeks information from the public on their experiences with, and views on, the current challenges faced by civilian federal agencies, contractors, and loan and grant recipients (i.e., partners) in complying with cargo preference laws on the following topics:

1. Actions those civilian federal agencies and their partners can take to promote and simplify, compliance with 46 U.S.C. 55305, while helping shipper agencies' make their logistical supply chains more efficient.
2. Technological best practices, including data sharing, that the public sector may use to better delineate cargoes subject to 46 U.S.C. 55305 from those cargoes derived from private funding sources.
3. MARAD's computation and publication of compliance data, including consideration of geographic areas, for purposes of determining whether an agency meets the 50% minimum tonnage requirement under 46 U.S.C. 55305.
4. Actions MARAD and other civilian agencies could take to improve the ability to assess and determine fair and reasonable rates for available U.S.-registered vessels in a manner that is transparent and would maximize the use of U.S. vessels as well as support civilian federal agency supply chain logistical efficiency.

5. Actions MARAD could take to incentivize additional vessels, where appropriate, to enter the U.S.-flag fleet.
6. Actions MARAD could take to work with other civilian federal agencies to identify the programs and cargoes that are subject to CPA requirements.
7. How MARAD can better serve as a resource to civilian federal agencies, their partners, and the public to support compliance with the CPA and ensure greater opportunities for U.S.-registered vessels and improve the efficiency and effectiveness of services provided.
8. How MARAD can improve the use of make-up shipments when programs that administer multi-year projects do not meet the 50% minimum statutory requirement under 46 U.S.C. 55305 during a particular fiscal year.
9. Identifying barriers to MARAD's assignment of civil penalties under 46 U.S.C. 55305(d)(2)(A).
10. Other relevant input related to challenges in achieving government-wide compliance with the CPA.

(Authority: 46 U.S.C. 55305; 49 CFR 1.93)

By Order of the Maritime Administrator

T. Mitchell Hudson, Jr.,

Secretary, Maritime Administration.